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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

In Re:

Case No. 18-03197-11

GIGA WATT INC.,

**DECLARATION OF ANDREY
KUZENNY**

Debtor in Possession.

The undersigned, Andrey Kuzenny, makes the following declaration:

1. I am the Secretary and Chief Operating Officer of Giga Watt, Inc., and competent to be witness herein.

2. Since the bankruptcy filing, I have worked tirelessly to find either financing or an investment.

3. Unlike traditional long-lasting industries, cryptocurrency mining has only developed in the last few years, and can have high volatility. For that reason, it is extremely difficult to find traditional Debtor in Possession financing, or any

DECLARATION OF ANDREY KUZENNY - 1

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1 financing at all. It also means that it is hard to find investors that are willing to invest
2 into this business.

3
4 4. Much of the difficulty finding investors or lenders was also due to the
5 timing of the bankruptcy, as it fell during the Thanksgiving season, the Christmas
6 season, and the Russian Orthodox Christmas season. Russian Orthodox Christmas
7 falls on January 7th, and much of Russia is basically at a standstill for the first two
8 weeks of January. This led to difficulty in finding lenders, as the sources of possible
9 financing were not only in the United States, but were likely to be available in Russia.
10
11

12 5. The last loan amount we were able to possibly obtain, and which was
13 part of an attempted motion to incur DIP financing was admittedly too small, and the
14 Court was not comfortable with the terms of the loan. I am still attempting to obtain
15 financing, and expect a response from a financial institution this week.
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17

18 6. One of the difficulties in operating the Debtor as an ongoing interest is
19 the fact that there is a proprietary software program developed by the Russian Team
20 that the owners utilize to enable and maximize production. This also requires constant
21 tweaks and upgrades. This program and monitoring is essential to the continued
22 successful operation of the Debtor as an ongoing entity, and is intimately understood
23 by the Russian Team. It is likely that if a Chapter 11 Trustee appointed, that the
24 Russian Team would not be part of the continuance of the Debtor and that the Debtor
25 would not succeed as an ongoing entity.
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DECLARATION OF ANDREY KUZENNY - 2

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1 7. The Debtor, if allowed to proceed, will hire a Chief Restructuring
2 Officer, by a date certain as ordered by the Court. The Debtor has already looked
3 into doing so. The Debtor believes that with the assistance of a CRO and the
4 continued utilization of the Russian Team, then the Debtor could continue as an
5 operating business. Without the Russian Team, the Debtor would likely not continue.
6

7
8 8. The Debtor would also have a Third Party Dashboard that would be
9 controlled only by the CRO. All monitoring of production and sales on the exchange
10 would be done by the CRO.
11

12 I certify under penalty of perjury pursuant to the laws of the State of
13 Washington and the United States of America that the foregoing Declaration is true
14 and correct.
15

16 SIGNED at _____, Washington, this 17th day of January, 2019.

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19 _____
20 ANDREY KUZENNY
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DECLARATION OF ANDREY KUZENNY - 3

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